

EXHIBIT A

TITAN CAPITAL

140 East 45th Street
40th Floor
New York, NY 10017
(212) 888-0004 / (212) 888-0005 - Fax

851 NE 1st Avenue
47th Floor
Miami, FL 33132
(305) 508-4345 / (212) 888-0005 - Fax

August 2, 2022

Via Email

Mrs. Grace Chan
President
East Broadway Mall Inc.
88 East Broadway
New York, New York 10002

Re: Bankruptcy Exit Financing for East Broadway Mall, Inc.

Dear Mr. Chan:

Titan Capital ID, LLC its affiliates and/or assigns ("Titan" or "Lender") is interested in providing up to \$7,700,000.00 in Bankruptcy Exit Financing on the Property (the "Loan"). This proposal outlines the general terms and conditions under which Lender shall proceed and does not constitute a loan commitment, either express or implied, on behalf of Lender, and does not impose any obligation on Lender to make the Loan.

Borrower: East Broadway Mall, Inc., a New York corporation (the "Borrower")

Note: Borrower is a Debtor-in-Possession having filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Southern District of New York on July 12, 2019 under Case 1:19-BK-12280 (the "Bankruptcy").

Property: 88 East Broadway, New York, NY 10002 (the "Subject Property" or "Property")

Parcel ID: 282 / 44

Loan Amount: The Loan is to be advanced up to an amount of Seven Million Seven Hundred Thousand and 00/100 Dollars (\$7,700,000.00), pursuant to the entry of a final order of the U.S. Bankruptcy Court authorizing the funding of Loan and dismissal of all litigation related to the Bankruptcy (the "Final Order").

Security: The funding of the proposed Loan shall be subject to the Final Order of the Bankruptcy Court, satisfactory to Lender, in its reasonable business judgment, that, among other things, expressly provide that (i) the Loan will have Super Priority status; (ii) shall be secured by a perfected security interest in (a) the City Lease, (b) the assets and personal property of the Borrower, (c) all fixtures, improvements and equipment used in connection with the Property, and (d) any other collateral deemed appropriate by Lender; and (iii) provides for those certain conditions concerning the (a) renegotiation and modification of the City Lease and (b) the settlement of all litigation and outstanding sums due any and all creditors which are a party to the Bankruptcy action. Furthermore, the Final Order shall maintain that the leasehold mortgage and security interests shall constitute valid Super Priority Liens, subject to no other liens or encumbrances, on the good and marketable title to the City Lease.

Use of Funds: Settlement Payments to Existing Creditors / Funding of Capital Expenditure Budget / Closing Costs / Loan Reserves

Maturity: 18 Months

Interest Rate: 12.00%

Amortization: Interest Only

Loan Fee: Borrower shall pay a fee to Lender of 3.00% of the Loan Amount upon closing of the Loan.

Exit Fee: None

Prepayment: No prepayment of the Loan shall be permitted without Lender, or its assigns, having received 12 months interest.

Loan-to-Value: The Loan Amount shall not exceed 60% of the appraised value of the Property.

Underwriting Fee: Upon signing and returning this proposal, the Borrower shall remit in the form of wire transfer only, the sum of \$5,000.00 which shall be applied to Lender's initial underwriting and other out of pocket costs. Said sums shall be deemed earned by Lender at the time of payment and shall be non-refundable. Additionally, Borrower will be responsible for all Due-Diligence costs as described herein which include, but are not limited to, the costs associated with Lender's site inspection (*i.e. airfare, local transportation, lodging, meals, etc*), the cost of an MAI-certified appraisal, and the cost of performing an Phase I Environmental Site Assessment and any other environmental reports which may be deemed necessary by Lender's environmental consultant after completion of the initial Phase I report.

Furthermore, upon the funding of the Loan pursuant to the Final Order, and out of the proceeds of the Loan, the Borrower shall pay Lender the additional sum of \$10,000.00 which sum represents an additional earned underwriting fee.

Note: As a courtesy to Borrower, Lender shall allow the Borrower to pay a portion of the Lender's Underwriting Fee (\$15,000.00 total) upon signing and returning this proposal, to wit \$5,000.00, and a portion upon the funding of the Loan, to wit \$10,000.00. If the Loan shall not close for any reason, the balance of \$10,000.00 shall be due Lender immediately upon demand in addition to any applicable Break-Up Fee.

Legal Deposit: Upon signing and returning this proposal, the Borrower shall deposit, in the form of wire transfer only, the sum of \$20,000.00 which shall be applied towards Lender's attorney fees in connection with the Loan. If the Loan does not close, the unused portion of the Legal Deposit (with Lender's counsel having billed at the rate of \$575.00 per hour) shall be applied first to any applicable break-up fee and then, refunded to Borrower if there is any residual.

Due Diligence Deposit: Upon signing and returning this proposal, the Borrower shall deposit in the form of bank check or wire transfer, the sum of \$0.00 which shall be applied towards Lender's 3rd party Due Diligence costs incurred in connection with underwriting of the Loan. Any sums due 3rd parties over and above the Due Diligence Deposit shall be the sole responsibility of the Borrower and shall be paid for by Borrower upon demand. Any unused portion of the Due Diligence Deposit shall be applied towards Borrower's closing costs incurred in connection with this Loan.

If the Loan does not close, the unused portion of the Due Diligence Deposit shall be applied first to any applicable break-up fee and then, refunded to Borrower if there is any residual.

Note: Prior to signing, the Borrower previously deposited the sum of \$10,000.00 with Lender, which sum was applied towards Lender's appraisal fee in connection with the proposed financing.

Interest Reserve: At closing, an 18 Month interest reserve shall be established with the Lender. Said funds shall be utilized by Lender for payment of the Loan's monthly debt service. Any remaining interest reserve held by Lender at the time of payoff shall be returned to Borrower via a credit on the final payoff letter issued by Lender.

Rent Escrow: At closing, a **TBD** rent escrow account shall be established with the Lender. Said funds shall be utilized by Lender, on the behalf of Borrower, for payment of the monthly rent payment due pursuant to the City Lease. Any remaining tax escrow held by Lender at the time of payoff shall be returned to Borrower via a credit on the final payoff letter issued by Lender.

**** Required escrow dependent on the terms of the Modified City Lease including but not limited to any rent concessions provided by the City.**

PILOT Escrow: At closing, a **TBD** payment-in-lieu-of-taxes (PILOT) escrow account shall be established with the Lender. Said funds shall be utilized by Lender, on the behalf of Borrower, for payment of the monthly PILOT payment due pursuant to the City Lease. Any remaining PILOT escrow held by Lender at the time of payoff shall be returned to Borrower via a credit on the final payoff letter issued by Lender.

**** Required escrow dependent on the terms of the Modified City Lease including but not limited to any PILOT concessions provided by the City.**

Insurance: Prior to closing, and at all times thereafter so long as the Loan is outstanding, Borrower shall provide proof of both hazard and liability insurance with coverage limits which are satisfactory to Lender. Said insurance shall be paid in full for 12 months from the closing date. If the existing coverage is "mid policy" Lender shall escrow an amount equal to those premiums that will be due in order to renew coverage through the current maturity date.

City Lease: The Subject Property is subject to a lease agreement dated March 1, 1985 between the City of New York, as landlord, and East Broadway Mall, Inc., as tenant (the "City Lease"). Current terms of the City Lease, to be verified, are as follows:

Lease Start Date:	October 1, 1985
Lease Expiration Date:	September 30, 2035
Renewal Options:	None
Monthly Rent Payment:	\$ 62,208
Monthly PILOT Payment:	\$ 85,716
Monthly Percentage Rent:	<u>\$ 10,833</u> (est.)
Total Monthly Payment:	\$158,757

Modified City Lease: Borrower has indicated that the current terms of the City Lease are onerous and have caused undue hardship in its operation of the Property as a successful venture. As part of the Bankruptcy proceedings the Borrower and the City have negotiated new lease terms which will alter, amend, modify and/or replace the City Lease. As such, the proposed financing herein is subject to City Lease being modified as such:

Lease Start Date:	TBD
Initial Lease Term:	30 Years
Renewal Options:	TBD
Monthly Rent Payment:	Up to \$30,000 (w/ 18 Months Free Upon Singing)
Monthly PILOT Payment:	Up to \$60,000 (w/ 18 Months Free Upon Singing)
Monthly Percentage Rent:	<u>None</u>
Total Monthly Payment:	Up to \$90,000 (w/ Standard Annual Adjustments)

Please Note: Lender is **ONLY** willing to enter into the proposed financing arrangement contemplated herein subject to the Borrower's ability to modify and amend the City Lease with terms comparable to those set forth above.

Sublease Approval: Lender shall have the right to approve new subleases and amendments to existing subleases (the "Subleases") including any to be signed in connection with LOIs issued by iFresh Supermarket, 88 Palace and/or Kings Pointe Talent.

Due Diligence: Lender's Due Diligence requirements **SHALL** include Lender completing, to its sole and absolute satisfaction, (i) a site inspection, (ii) a complete review of Borrower, Guarantor and tenant financials and credit, the Property, the City Lease and any modifications or amendments thereto, any subleases and tenancy agreements with respect to the Property, and the surrounding market, title, and insurance. Additionally, Lender reserves the right to order and review an MAI-certified appraisal report, a Phase I Environmental report (and any subsequent environmental reports or testing as recommended by Lender's environmental consultant), a Property Condition Assessment, a Zoning Opinion/Analysis and any other 3rd-Party reports which Lender deems necessary, which reports shall be paid for by Borrower.

Documentation: Upon Borrower's acceptance of this letter and payment of the Deposits as outlined herein, Lender shall commence its Due Diligence and the Documentation of the Loan based on terms outlined herein. Such documentation shall include Lender's standard loan documentation, and shall include but shall not be limited to, a mortgage, mortgage note, environmental indemnity agreement, security agreement, assignment of leases and rents, guaranty agreement(s), an opinion letter from Borrower's counsel, requirements for monthly reporting, Borrower's covenants and representations in affidavit form, and other documents, instruments and/or undertakings. All of the forgoing shall be required by and shall be in a form acceptable to Lender in its sole and absolute discretion.

Guarantee: 100% of the Loan, plus all accrued interest, plus all costs of enforcement of the Loan, plus any and all other sums due or to become due Lender under the Loan Documents, shall be guaranteed by Grace Chan, Terry Chan and any TBD Partner(s), the principal[s] of the Borrower, its Manager or General Partner, as the case shall be (the "Guarantor(s)"). In addition, Guarantor shall be required to execute an environmental indemnity agreement in form and substance satisfactory to Lender.

Broker: Borrower shall at closing represent and warrant to Lender that no brokers other than Leviathan Capital LLC (1.00% Broker Fee; to be paid out of the Loan Amount) have participated in the Loan. Borrower shall indemnify Lender from any claims relating to brokerage commissions allegedly earned in connection with the Loan.

Title Agent: Titan requires that Title is ordered directly through:
Terese Murphy, Esq.
Title Trak Agency - 130 East 40th Street, Suite 400 - New York, NY 10016
P: (212) 922-9003 – E: clearance@titletrakagency.com

Title Underwriter: Lender shall ONLY accept policies insured by First American Title Insurance Co.

Lender's Counsel: Mr. Joseph Brasile, Esq. – Faegre Drinker Biddle & Reath LLP
P: (212) 248-3180 – E: joe.brasile@faegredrinker.com

Closing: Immediately upon Order of the Court approving the Loan.

Break-Up Fee: If after acceptance of this proposal, which shall be presumed to have occurred once an executed copy is returned to Titan signed by the Borrower or signed on behalf of the Borrower by any principal(s) of the Borrower (the "Principal(s)"), and/or any Guarantor(s) (the Borrower, the Principal(s) and the Guarantor(s) are hereinafter referred to as the "Borrowing Parties"), the Borrowing Parties shall fail to proceed with the transaction, then Titan shall be entitled to a break-up fee equal to Two (2.00%) percent of the Loan Amount (*i.e.* \$154,000.00). The Break-Up Fee shall be the joint and several liability and obligation of the Borrowing Parties and shall be due upon demand. The Borrowing Parties agree that this is a commercial transaction and hereby waive any requirement of notice and authorizes Titan to obtain a pre-judgment remedy of attachment without hearing should Borrowing Parties fail, neglect or refuse to pay the break-up fee within ten (10) days of written demand by Titan. In any action maintained by Titan to enforce or collect the break-up fee Titan shall be entitled to all costs of collection including its reasonable attorney's fee.

– Signature Page Follows –

This proposal shall expire on August 5, 2022.

Please indicate your acceptance of this proposal by signing and returning same to my attention with the specified moneys, the total sum of \$25,000.00, by Wire Transfer payable to the wiring instructions found in "Schedule A".

Upon receipt of the foregoing Titan shall commence due diligence and begin initial documentation of the loan.

Accepted and Agreed To:

Sign: _____

Print: _____

Date: _____

Title: _____

Sincerely,
Titan Capital ID LLC

Name: Ira E. Saferstein

Title: Manager

Date: _____

Borrowing Entity Information:

Name: _____

EIN: _____

Address: _____

East Broadway Mall Inc.
13-229-4777
88 East Broadway
NY NY 10002

Borrower's Attorney Information:

Name: _____

Firm: _____

Address: _____

Phone #: _____

E-mail: _____

Guarantor's Information:

Name: GRACE CHAN
SSN #: [REDACTED]
Date of Birth: 2/29/44
Address: 10 Confucius Plaza
Apt 6R NY NY 10002
Phone #: [REDACTED]
E-mail: g/cchan168@gmail.com

As a Guarantor of the proposed loan, by my signature set forth below, I authorize Titan Capital ID, LLC, its affiliates and/or assigns ("Titan"), the absolute right to generate a credit report and/or background check with Sunrise Credit Services, Inc., LexisNexis, or any such firm that Titan may engage in the future to provide similar credit and/or due diligence services.

Sign: Terry Chan
Print: Terry Chan
Date: 8/3/22

Guarantor's Information:

Name: Terry Chan
SSN #: [REDACTED]
Date of Birth: [REDACTED]
Address: 149-69 Powells Cove Blvd
Whitestone, NY 11357
Phone #: [REDACTED]
E-mail: TerryChan@aol.com

As a Guarantor of the proposed loan, by my signature set forth below, I authorize Titan Capital ID, LLC, its affiliates and/or assigns ("Titan"), the absolute right to generate a credit report and/or background check with Sunrise Credit Services, Inc., LexisNexis, or any such firm that Titan may engage in the future to provide similar credit and/or due diligence services.

Sign: GRACE CHAN
Print: GRACE CHAN
Date: 8/3/22

SCHEDULE A
WIRING INSTRUCTIONS

Account Information

Account Name: Titan Capital ID, LLC
Account #: 1502979899
ABA #: 026013576

Bank Information

Signature Bank
1020 Madison Avenue – 5th Floor
New York, NY 10075

Office of Recipient:
Titan Capital ID, LLC
140 East 45th Street, 40th Floor
New York, NY 10017
(212) 888-0004

Bank Representative:
Mr. Matthew Weltman
(646) 822-7523